

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

CAREPATROL FRANCHISE
SYSTEMS, LLC,

Plaintiff,

v.

SUSTAINED CARE SERVICES, LLC,
AGING HAPPENS, and HERCULES
BOTHMA,

Defendants.

Case No. 24-11755

Honorable Laurie J. Michelson

**ORDER FOR PLAINTIFF TO SHOW CAUSE AS TO DIVERSITY
JURISDICTION**

CarePatrol Franchise Systems, LLC, sues Sustained Care Services, LLC, Hercules Bothma, and Aging Happens, alleging two counts of breach of contract and one count of misappropriation of trade secrets under Arizona state law. (ECF No. 1.) CarePatrol also seeks a preliminary injunction. (ECF No. 2.)

CarePatrol says this Court has diversity jurisdiction under 28 U.S.C. § 1332. (ECF No. 1, PageID.2.) But it cannot establish complete diversity of citizenship without first adequately alleging the citizenship of the two limited liability companies named in its complaint: Sustained Care and itself. Sustained Care “is a Pennsylvania limited liability company with its registered address [in Pennsylvania],” says CarePatrol, and CarePatrol itself “is a Delaware limited liability company with its principal place of business [in Michigan].” (*Id.*) But an LLC’s citizenship for purposes of diversity jurisdiction is not based on its principal place of business or registered

address—it is based on the citizenship of the LLC’s members. *Delay v. Rosenthal Collins Grp., LLC*, 585 F.3d 1003, 1005 (6th Cir. 2009) (“The general rule is that all unincorporated entities—of which a limited liability company is one—have the citizenship of each partner or member.”). So “[w]hen diversity jurisdiction is invoked in a case in which a limited liability company is a party, the court needs to know the citizenship of each member of the company.” *Id.* “And because a member of a limited liability company may itself have multiple members—and thus may itself have multiple citizenships—the federal court needs to know the citizenship of each ‘sub-member’ as well.” *Id.* Yet here, CarePatrol fails to identify the members and citizenship of either itself or Sustained Services.

Accordingly, by July 11, 2024, CarePatrol Franchise Systems, LLC, shall show cause in writing, including an amended complaint, that this Court has subject matter jurisdiction by identifying the citizenship of each member and, if necessary, sub-member of itself and of Sustained Care Services, LLC. A failure to file a show-cause response by July 11, or an inadequate show-cause response, will result in this case being dismissed.

SO ORDERED.

Dated: July 9, 2024

s/Laurie J. Michelson
LAURIE J. MICHELSON
UNITED STATES DISTRICT JUDGE